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Report to Wellington Regional Council
from Councillors Terry McDavitt and Rick Long

WRC Holdings Group Meeting – 26 September 2002

1. Purpose

To report to Council the proceedings of the meeting of the WRC Holdings Group on Thursday, 26 September 2002.

2. Background

On 17 September 2002 the Wellington Regional Council adopted the recommendation that Councillors, who represent the Council on the Board of WRC Holdings Limited, report back to Council following each meeting of the Board.

It was agreed that the WRC Holdings Group report be similar to Council reports from Ara Tahi and the Wellington Conservation Board meetings. The report will formalise the communication to Council on key decisions and important issues raised at the WRC Holdings Group directors meetings.

The WRC Holdings Group meeting on 26 September 2002 was the first meeting since Council requested a report of the meeting.

3. Comment

The primary focus of the WRC Holdings Group meeting on 26 September was Directors' approval of the Annual Financial Statements, dividends and Statements of Corporate Intent for the WRC Holdings Group and CentrePort Limited.

All of the companies recorded healthy financial results for the year ended 30 June 2002 and the Directors approved the Annual Financial Statements and the dividends for the year, as well as the 2002/03 Statements of Corporate Intent. These were also reported to the Policy, Finance and Strategy Committee/Council meeting on 3 October 2002.

3.1 The Impact of P & O Nedlloyd's Decision on CentrePort Limited

The Directors were advised of the P & O Nedlloyd decision in relation to the big ships and noted that CentrePort was currently working through the implications of the decision. (This matter was covered in the CentrePort briefing on 23 October.)

3.2 Dividends for Year Ended 30 June 2002

The Directors approved the payment of dividends from Port Investments Limited, Pringle House Limited and WRC Holdings Limited. The impact of these dividends were reported to Council on 3 October 2002.

3.3 Statements of Corporate Intent

The Directors received the final 2002/03 Statement of Corporate Intent (SCI) from CentrePort Limited and approved the final 2002/03 SCI for the WRC Holdings Group for release to the shareholder (Council).

As indicated at the Policy, Finance & Strategy Committee on 3 October, it is possible that CentrePort Limited may wish to amend the SCI once the impact of the P & O Nedlloyd decision is fully assessed.

3.4 Port Sector Rationalisation

The Directors of Port Investments Limited supported further investigation work being undertaken on options for port sector rationalisation and requested that this be communicated to Council at the earliest opportunity. Council resolved to support this course of action at the Council meeting on 3 October 2002.

3.5 Financial Statements Auditors Report for WRC Holdings Group

Audit New Zealand presented the audit results to the meeting. Directors were advised that the audit had run smoothly, the companies' financial statements had been well put together and overall the Council was getting benefit from its investments. The Directors subsequently adopted the financial statements of each of the companies.

3.6 Tranz Rail Update

Directors were advised that recent discussions between Wellington Regional Council officers, StageCoach and Cameron & Co (merchant bankers acting on behalf of Tranz Rail) continued to be focussed on the process of negotiations.

3.7 Resolutions in Lieu of Annual General Meeting for Pringle House Limited and Port Investments Limited

Directors approved resolutions in lieu of holding Annual General Meetings for Pringle House Limited and Port Investments Limited. The resolutions approved the companies' financial statements and reappointed Audit New Zealand as auditors for next year.

3.8 Regional Council Centre Operational Report

The Directors considered a report from Council's property consultants in respect of operational matters affecting the Regional Council Centre. Directors suggested that improvements to the entrance area and foyer of the Regional Council Centre be included in the Council's rebranding project.

3.9 Upcoming Meetings

The CentrePort Annual General Meeting (AGM) will be held on Thursday 24 October at 2:30pm.

The WRC Holdings Limited AGM will be held on 28 November 2002 at 1:30pm. A report recommending the nomination of a proxy for the AGM will be submitted to Council on 21 November. The next meeting of WRC Holdings Group will follow the AGM on 28 November.

4. Recommendation

That the report be received and the contents noted.

TERRY MCDAVITT
Director, WRC Holdings Limited

RICK LONG
Director, WRC Holdings Limited